

EXHIBIT DB

[PUBLIC VERSION]

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Page 363

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE WESTERN DISTRICT OF MISSOURI

3
4 CUSTODIA BANK, INC.,

5 Plaintiff,

6 vs.

No.

7 FEDERAL RESERVE BOARD OF

22-cv-00125-SWS

8 GOVERNORS and FEDERAL RESERVE

9 BANK OF KANSAS CITY,

10 Defendants.
11
12
13

14 VOLUME II
15
16

17 CONTINUED CONFIDENTIAL DEPOSITION OF
18 JUDITH HAZEN, a Witness, taken on behalf of the
19 Plaintiff before Kelsey Robbins Schmalz, CSR No.
20 1571, CCR No. 1148, RPR, pursuant to Notice on the
21 15th of November, 2023, at the offices of the Federal
22 Reserve Bank of Kansas City, 1 Memorial Drive, Kansas
23 City, Missouri.
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25

1 entity that had a brand new charter type that was
2 uninsured and that had a novel business model would
3 have been a nonroutine request for us.

4 BY MS. WEINBERGER:

5 Q. And an entity like Custodia would've
6 been nonroutine regardless of whether its membership
7 application was granted?

8 MS. CARLETTA: Objection. Form.

9 Also, I'll note we've been going for a
10 half hour.

11 A. So by its nature of being one of the
12 first entities to receive a charter that had just
13 been just been created, it would be unique. The fact
14 that it was not insured would also be unique. The
15 fact that it's a de novo entity would also be unique.
16 So all of those factors and probably more would drive
17 it into being a nonroutine request, so I don't know
18 that the membership decision would have influenced
19 whether it was routine or nonroutine.

20 BY MS. WEINBERGER:

21 Q. Whereas under the guidelines, whether
22 Custodia's membership application was granted
23 affected whether it was going to be in Tier 2 or
24 Tier 3; is that correct?

25 A. So far as the definition that the

1 Board ascribed to those different tiers, yes. I
2 believe that if Custodia had been granted membership
3 that would have moved it to be considered a Tier 2
4 institution versus a Tier 3 institution.

5 Q. Okay. I want to move on to what I've
6 marked as Exhibit 192, which is Bates No. 17747.

7 So if you could look -- first of all,
8 do these appear to be your notes?

9 A. They do.

10 Q. And if you could look at Page 17749.
11 Can you tell when these notes are from? And if you
12 need a moment to look at them, I'm happy to go off
13 the record for a minute.

14 A. So the notes in this notebook I think
15 would have been from July of 2020 through August of
16 2020, but I don't know these specific pages where in
17 that timeline they would have been.

18 Q. Okay. And it says SPDI meeting at the
19 top of the page; is that correct?

20 A. Yes. SPDI meeting.

21 Q. And who were you meeting with?

22 A. It doesn't say.

23 Q. Do you have any recollection?

24 A. I don't.

25 Q. So it seems to be referring to

1 there could be relevant emails from that two-year
2 period where there were interactions with Wyoming on
3 the SPDI legislation?

4 MS. CARLETTA: To the extent that this
5 involves counsel that you're -- advice that you
6 received from your legal counsel, I'll instruct you
7 not to answer.

8 I'm sorry. I didn't understand that
9 this was attorney-client privileged information.

10 BY MS. WEINBERGER:

11 Q. And I'm happy to rephrase. I'm asking
12 in your personal knowledge separate from what an
13 attorney has told you, are you aware of any emails
14 that could exist between 2017 and 2019 regarding
15 communication with the State of Wyoming on SPDI
16 legislation?

17 A. I would have had no communications
18 with the State of Wyoming on the legislation in that
19 time frame.

20 Q. Are you aware of any colleague having
21 communication -- any colleague of yours at the Kansas
22 City Fed having communication with the State of
23 Wyoming on the litigation in that time frame?

24 A. Can you say that again? I'm sorry.

25 Q. Sure. Are you aware of anyone at the

1 Kansas City Fed having communication with the State
2 of Wyoming about the SPDI legislation between 2017
3 and 2019?

4 A. So I won't know specific dates off the
5 top of my head, but my understanding is that there
6 were individuals that were discussing with the
7 Division of Banking at the time that the legislation
8 was being contemplated and moved through the state
9 legislature.

10 Q. And do you know who those individuals
11 at the Kansas City Fed are who had such
12 communications with folks in Wyoming?

13 A. I wouldn't be able to give you an
14 exhaustive list off the top of my head.

15 Q. Can you name anyone, even if not
16 exhaustive, just in your current recollection who you
17 can think of?

18 A. My understanding is that individuals
19 in our legal division were discussing the proposed
20 SPDI legislation. Also, Jackie Nugent and then I
21 imagine other individuals in the supervision risk
22 management division.

23 Q. Do you know which other individuals it
24 might be?

25 A. I assume that Jackie's reporting line